

OST- 95-206-6

033/01

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

EXHIBITS OF

TRANS WORLD AIRLINES

BEFORE THE

DEPARTMENT OF TRANSPORTATION

WASHINGTON, D.C.

U.S. - TORONTO SERVICE PROCEEDING

DOCKET 50168



TRANS WORLD AIRLINES

1743
QA

**EXHIBIT LIST**

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TW-2	1	Map of Proposed Service
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TW-302	4	Traffic Between Toronto and the "Other U.S. has Grown Faster than Traffic Between Toronto and the North-East / Florida
TW-303	1	The Canadian Economy is Growing
TW-304	1	Trans World Airlines St. Louis-Toronto Passenger Forecast by Month 12 Months ended March 31, 1996
TW-305	1	Trans World Airlines St. Louis-Toronto Revenue Passenger Miles 12 Months ended March 31, 1996
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Exhibit	Number of Pages	Title
TW-400	2	Trans World Airlines St. Louis-Toronto Service Financial Projections
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TW-405	1	Trans World Airlines Domestic Entry Unit Costs MD80 Aircraft 12 Months ended September 30, 1994
TW-406	1	TWA Onetime Start-Up Costs Toronto, Canada

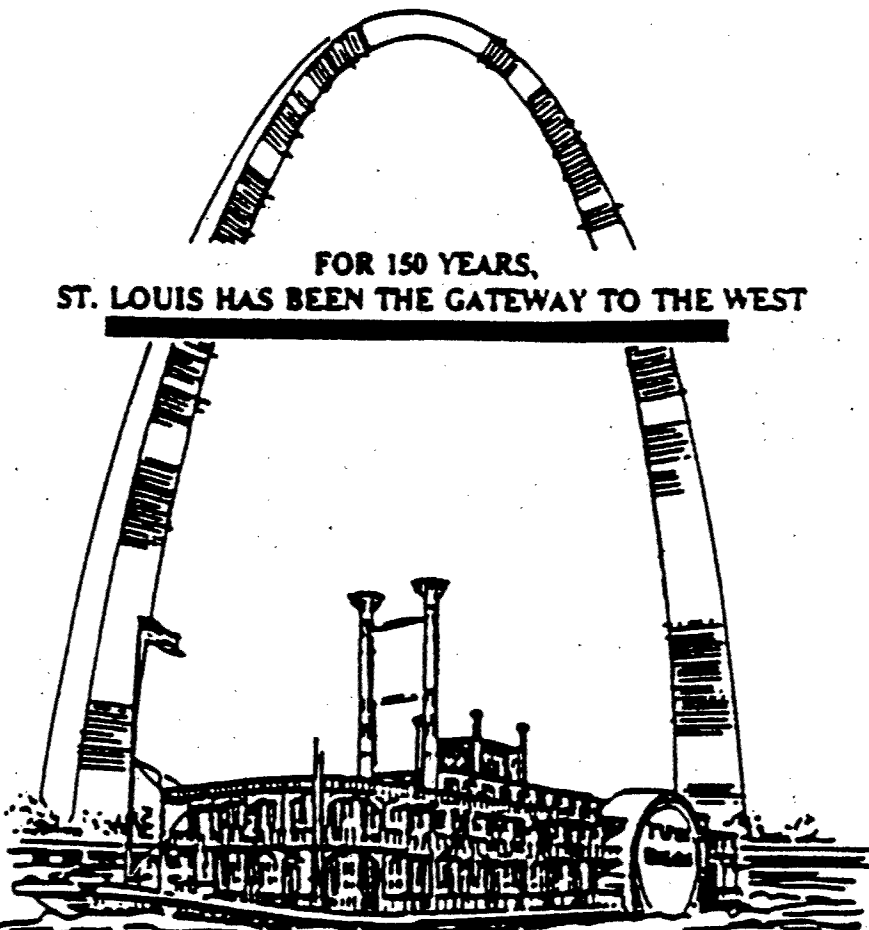


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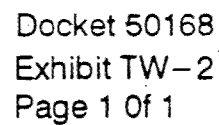
ST. LOUIS IS THE GATEWAY TO THE WEST

TWA

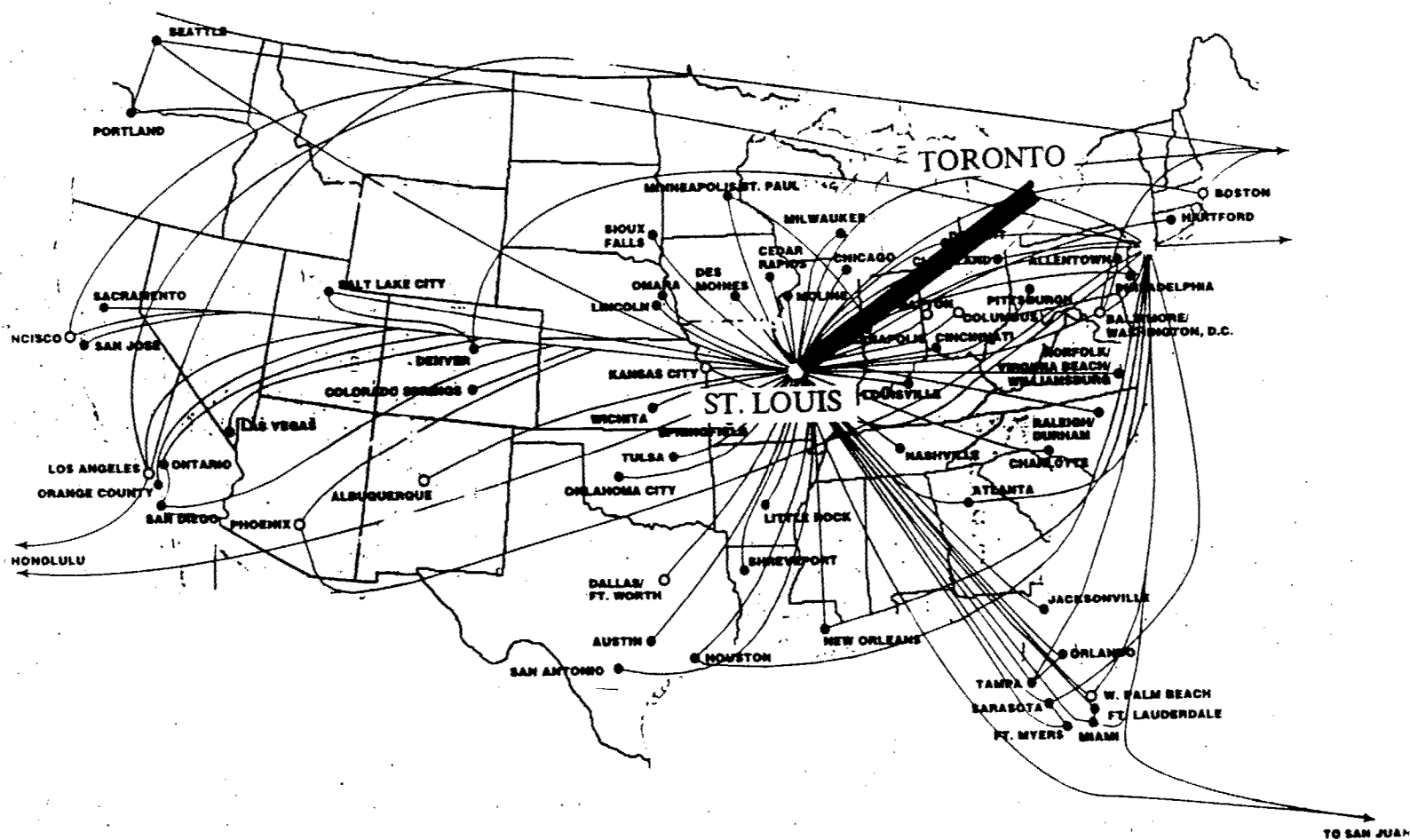
ST. LOUIS

A black and white line drawing of the Gateway Arch in St. Louis, Missouri. The arch is shown from a low angle, emphasizing its height. Below the arch, a steamship is depicted on the water. The ship has multiple smokestacks and is surrounded by waves. The text 'FOR 150 YEARS, ST. LOUIS HAS BEEN THE GATEWAY TO THE WEST' is written across the middle of the arch.

FOR 150 YEARS,
ST. LOUIS HAS BEEN THE GATEWAY TO THE WEST



Mileage — 654 miles





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NARRATIVE

SUMMARY OF BENEFITS OF TWA ROUTE AWARDS

The Department's Order instituting this proceeding indicates that it will focus far more on the market structure, competitive impact, and public service benefits of the U.S.-Toronto certificate awards than it did in granting the interim *pendente lite* exemption authority to US Air and Delta (Order 95-2-57, pp 4-5). Based on these criteria, an award of St. Louis-Toronto authority to TWA will be substantially superior to the grant of an additional route to USAir, particularly when that carrier will also receive Washington National-Toronto nonstop authority within the next few months.

Service by TWA from St. Louis to Canada will be an important element in meeting the service needs of the U.S.-Canada market. Because of the recent expansion of TWA's St. Louis hub, the St. Louis-Toronto route will provide online service to a wide area of the country and maximize the competitive impact that can be achieved by the new bilateral agreement with Canada. An award to TWA will provide the following major benefits:



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- TWA will provide the first nonstop service between St. Louis and Toronto. St. Louis today is the largest city in the East and Midwest with no convenient service to Toronto, and TWA is the only hub carrier with no authority to serve Canada. The St. Louis metropolitan area has a population of more than 2.5 million. It is the tenth largest CSMA in the Eastern and Midwestern regions of the United States. It is less than 700 miles from Toronto. Nevertheless, single plane service to Toronto has been sporadic (Ex. TW-104).

While the exemption award to USAir for a Pittsburgh - Toronto route was premised on the ability of that carrier to institute service immediately, the long-run certificate decision must be based on more careful consideration of the needs of the individual markets for service to Toronto. In this respect, St. Louis is clearly far more deserving of first nonstop service to Toronto than Pittsburgh is of a second carrier in the local market. St. Louis has a larger metropolitan area population than Pittsburgh (Ex. TW-101). The St. Louis-Toronto O&D traffic almost equaled Pittsburgh, despite the fact that Pittsburgh received four nonstops daily, while St. Louis had none (Ex. TW-102). The award of the Pittsburgh-Toronto exemption authority to USAir was not based on the needs of the local market, but was a byproduct of Pittsburgh's status as the carrier's hub. However, an award of St. Louis-Toronto authority to TWA will not only match the hub element of the Pittsburgh



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award, but provide nonstop service in a local market that is more deserving of an award than Pittsburgh.

- Through its St. Louis hub, TWA will provide online service to a wide area of the country. Each St. Louis-Toronto flight will connect with a major departure or arrival bank at TWA's domestic hub. Over the past year, TWA has increased its daily frequency at St. Louis from 234 to 324, and has created a large omni-directional hub. In addition to TWA's large jet service, its Trans World Express affiliate offers 161 daily St. Louis departures, creating an integrated hub with 485 daily frequencies. The St. Louis-Toronto route will enable TWA to provide online service between Toronto and 52 TWA and TW Express cities.
- In addition to the first nonstop service between St. Louis and Canadian points, TWA will provide one-stop, direct service between Toronto and both Phoenix and San Diego. The service to San Diego will be the first daily one-stop service offered to that city.
- While the Department's decision on grant of the exemption *pendente lite* awards turned in large part on how quickly carriers could utilize the newly available authority, its instituting order in this proceeding focuses on market structure and the competitive implications of



the available awards. An award to TWA will have the most pro-competitive implications of any possible award in this case. Because TWA is the only major hub carrier that has no authority at all to serve Canada, grant of its application will insert a major new carrier in the U.S.-Canada market, and add an important competitive element to the U.S.-Canada marketplace. In contrast, additional authority for incumbent carriers would increase concentration and be anticompetitive.

- TWA will be a new, low-cost carrier in the U.S. -Canada market. As a result of its labor agreements and ongoing financial restructuring activities, its unit costs are shrinking dramatically. With lower cost and its St. Louis hub, it will be positioned to foster effective price competition.

**THE DEPARTMENT'S DECISION SHOULD
EXPAND ROUTINGS AND CARRIERS SERVING
CANADA**

The Department has recognized that the rationale for the certificate awards in this proceeding will be different than the grounds for the decision on its exemption awards. The goal of the Department's decision, consistent with longstanding precedent, should be to increase



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competition by maximizing both the number of carriers serving the destination and the alternative routing available to consumers. Application of these policies makes it clear that TWA should be a prime candidate for the award of routes to Canada from its St. Louis hub.

Geographic Diversity

The Department should make the certificate awards in this case in a manner that will expand competition in the broadest area of the country. This means that the Toronto awards must be focused on inter-hub competition between major hubs. The Department must also consider the nature of existing routes, most of which are concentrated in the Eastern part of the country. Along the East Coast, Boston, New York, Philadelphia, Pittsburgh, Baltimore/Washington, Tampa and Miami already receive direct service to Toronto. Connecting routings are available over those points to numerous other Eastern U.S. cities. Rather than additional awards in the East, the Department's primary concern must be to achieve awards that will maximize competition in other areas of the country.

The West also deserves additional service more than the Northeast because traffic between that area of the country and Toronto has been growing faster than traffic from the East Coast.



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Since 1991, traffic from Northeastern gateways has grown at an annual rate of less than 1%, while traffic to other areas of the country (excluding Florida) has grown 6.9% annually (Ex. TW-302). In the latest reporting period, Northeast-Toronto passengers were still more than 11% below 1990 levels (Ex. TW-300, p.2). Clearly, St. Louis should be chosen as the gateway to the West before Pittsburgh is added as an additional gateway to an area of the country where traffic has been flat for several years.

In Exhibits TW-101 and 102, we have shown the relative ranking of St. Louis and several other hubs. St. Louis is the largest city in the Eastern or Midwestern United States that lack both nonstop service and service by its hub carrier. St. Louis has a larger population than Pittsburgh, Tampa, and Cincinnati, all of which have nonstop service to Toronto.

Moreover, the Western hubs that are competitive with St. Louis already have service to Toronto by their hub carriers. Both American and United operate to Toronto from their Chicago hubs; American also provides nonstop service from its Dallas/Ft. Worth hub; Northwest provides numerous flights from its Detroit hub; and United has nonstop operations from its major West Coast hub at San Francisco. At other hubs, including Cleveland and Cincinnati, nonstop service to Toronto is provided by the commuter affiliates of the hub carrier.

Multi-Carrier Competition

The other major criterion that should guide the Department is expansion of the number of carriers offering competitive service to Canada. In this regard, TWA is the only major carrier that is entirely shut out of the Canadian market. Its service will provide a major competitive spur to



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the operations of incumbent carriers in a manner far different from an incremental award to a carrier that is already serving Toronto. All other major airlines are far better situated with respect to Toronto service than TWA. American, for example, serves Toronto from two hubs - Chicago and Dallas/Ft. Worth. United also provides nonstop service from two hubs - Chicago and San Francisco. Other carriers also provide either nonstop or one stop service from their centers of operation. An award to TWA is the only one that will introduce an entirely new hub carrier to the U.S.-Toronto market.

It would be particularly unfortunate for the goal of expanding competition if the Pittsburgh exemption authority for USAir were confirmed by a certificate award. Assayer already provides 20 flights per day to Toronto from seven U.S. cities. With only four designations available to Toronto during the first two years of the new Agreement, USAir is already assured of one award because it will automatically receive Washington, D.C.-Toronto authority as soon as Air Canada begins service in the market. USAir has already filed an exemption application for that authority. It can only damage competition, and, indeed, violate fundamental concepts of fairness, if the Department were to grant US Air two of the limited pool of four designations available during the first two years of the new bilateral.



Source of Equipment

TWA's proposed St. Louis-Toronto service requires the equivalent of less than one aircraft. TWA currently operates a fleet of 185 aircraft, including 45 MD-80 series, and can obtain the added aircraft time necessary for Canada by reallocation of equipment from existing routes. The equipment for a post Labor Day start-up would probably come from TWA's seasonal pull-down of its summer service. Ultimately, it will acquire additional aircraft for this and other Canadian routes. TWA proposes to utilize MD-80's for its St. Louis-Toronto service. Those aircraft are Stage 3 airplanes that fully comply with FAR-36.

Traffic Forecast

TWA's traffic forecast is shown in Exhibit TW-300. TWA anticipates that it will carry more than 105,000 passengers in its initial year of service, nearly half of which will be local St. Louis-Toronto passengers. Until TWA can add frequencies and become more fully competitive with American and United via Chicago and Northwest via Detroit, it will be handicapped in competing for connecting traffic, and the forecast recognizes that.

Start Up Date

TWA will begin service on September 6, 1995, immediately after Labor Day. TWA would integrate the Toronto operation with the rest of its system as part of a normal seasonal change. Because Briefs to the Decisionmaker are not due until late April, TWA expects that the decision will not be made before late June or early July. If the decision is made substantially before that time, TWA will advance the inauguration date of its service.



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TWA does not anticipate any difficulty in negotiating ground handling and facilities at Toronto on a timely basis.

Start-Up Costs

Pursuant to Order 95-2-57, TWA has attached as Exhibit TW-406 its estimate of the start-up expenses that would be incurred in instituting service on the Canadian routes. It is not aware of any restraints at Toronto that would inhibit the prompt inauguration of service.

Responses to Interrogatories

In response to the Interrogatories propounded by the Department in the Evidence Request:

- (1) TWA will accept the standard backup condition that will permit it to implement service within the first year should the primary carrier withdraw from the market.
- (2) If selected for primary authority, TWA will accept a condition requiring it to institute service by a date certain. The Department should specify September 6, 1995, provided that the Department issues its decision by August 1, 1995.



**St. Louis Is The Largest Metropolitan Area In The East Or Midwest
With Neither Nonstop Service To Toronto Nor Direct Service
Authorization For Its Hub Carrier**

	CSMA Population (000) (1)	Nonstop Service (2)
1. New York - Newark	19,670	Yes
2. Chicago	8,410	Yes
3. Washington - Baltimore	6,920	Yes
4. Boston	5,439	Yes
5. Detroit	5,246	Yes
6. Miami - Ft. Lauderdale	3,809	Yes
7. Atlanta	3,143	No
8. Cleveland	2,890	Yes
9. Minneapolis - St. Paul	2,618	No
10. ST. LOUIS	2,519	No
11. Pittsburgh	2,406	Yes
12. Tampa - St. Petersburg	2,107	Yes
13. Cincinnati	1,865	Yes

(1) Source: U.S. Bureau of the Census, CENDATA

(2) As of January 1, 1995



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**St. Louis Is The Largest Metropolitan Area In The East Or Midwest
With Neither Nonstop Service To Toronto Nor Direct Service
Authorization For Its Hub Carrier**

Cities with No Nonstop Service to Toronto	Hub Carrier	Service Authorized
Atlanta	DL	One-stop
Minneapolis - St. Paul	NW	One-stop
ST. LOUIS	TW	NONE



**St. Louis Is The Largest Toronto O&D Market
In The Eastern Or Mid-Western United States
With Neither Nonstop Service To Toronto Nor
Direct Service Authorization For Its Hub Carrier**

	O&D Psgrs Year 1993 (000) (1)	Nonstop Service (2)
1. New York - Newark	742	Yes
2. Chicago	321	Yes
3. Miami - Ft. Lauderdale	258	Yes
4. Boston	208	Yes
5. Tampa - St. Petersburg	206	Yes
6. Philadelphia	107	Yes
7. Atlanta	90	No
8. Detroit	77	Yes
9. Orlando	74	Yes
10. Washington - Baltimore	65	Yes
11. Cleveland	51	Yes
12. Minneapolis - St. Paul	51	No
13. Nashville	42	Yes
14. Pittsburgh	32	Yes
15. ST. LOUIS	29	No

(1) Source: PCIR2A

(2) As of January 1, 1995



**St. Louis Is The Largest Toronto O&D Market
In The Eastern Or Midwestern United States
With Neither Nonstop Service To Toronto Nor
Direct Service Authorization For Its Hub Carrier**

Cities with No Nonstop Service to Toronto	Hub Carrier	Hub Carrier Service Authorized
Atlanta	DL	One-stop
Minneapolis - St. Paul	NW	One-stop
ST. LOUIS	TW	NONE



**The Absence of Meaningful Service
Has Been A Major Impediment To Air Travel
Between St. Louis And Toronto**

	CSMA Population Year 1993 (000) (1)	U.S. Domestic O&D Psgrs Year 1993 (000) (2)	Single Plane Air Service To Toronto Jan 1995 (3)	Toronto O&D Psgrs Year 1993 (000) (4)
<u>Midwest Hubs</u>				
Chicago	8,410	31,007	16 Nonstops	321
Detroit	5,246	12,060	5 Nonstops	77
ST. LOUIS	2,519	8,829	1 One-stop*	29
Nashville	1,023	4,296	2 Nonstops 1 One-stop	42
<u>St. Louis Percent of</u>				
Chicago	30%	28%		9%
Detroit	48%	73%		38%
Nashville	246%	206%		69%

* St. Louis - Toronto service is performed by a Delta codesharing commuter carrier.

(1) Source: U.S. Bureau of the Census, CENDATA

(2) Source: DOT O&D Survey, Table

(3) Service on January 6, 1995. Source: EAAasy Sabre

(4) Source: PCIR2A



RECENT HISTORY OF TORONTO - ST. LOUIS DIRECT SERVICE

1993

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
YYZ-STL	AA 2/S	NONE	NONE	NONE	NONE	NONE	UA 1/S	UA 1/S	NONE	NONE	NONE	NONE
STL-YYZ	NONE	UA 1/S	NONE	NONE	NONE	NONE	NONE	NONE	UA 1/S US 1/S	UA 1/S	UA 1/S	US 1/S

1994

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
YYZ-STL	UA 1/S	AA 2/S	AA 2/S	AA 2/S	NONE	AA 1/S DL* 1/S	AA 1/S DL* 1/S	AA 1/S DL* 1/S	DL* 1/S	DL* 1/S	DL* 1/S	DL* 1/S
STL-YYZ	US 1/S	US 1/S UA 1/S	UA 1/S	DL* 1/S	NONE	AA 1/S DL* 1/S	AA 1/S DL* 1/S	AA 1/S DL* 1/S	DL* 1/S	DL* 1/S	AA 1/S DL* 1/S	AA 1/S DL* 1/S

1995

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>
YYZ-STL	DL* 1/S	UA 1/S DL* 1/S	UA 1/S DL* 1/S	DL* 1/S
STL-YYZ	DL* 1/S	AA 1/S DL* 1/S	AA 1/S DL* 1/S	AA 1/S DL* 1/S

• COMMUTER



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**TWA's St. Louis Hub
Is Ideally Located for Service Between
Toronto and the Western United States**

Variance from Nonstop Mileage

	TWA Via St. Louis
Dallas/Ft. Worth	0.4%
Phoenix	2.1%
Albuquerque	2.2%
San Diego	2.5%
Los Angeles	3.2%
Houston	3.4%
Las Vegas	4.3%
San Francisco	5.7%
Kansas City	6.3%
Denver	8.1%
Salt Lake City	9.0%
Portland	12.6%
Seattle	14.7%

Source: Great Circle Mileages



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TWA's Service Proposal

TWA proposes to operate two daily St. Louis - Toronto round trips, the maximum allowed under the bilateral agreement with Canada, with MD80 aircraft (Exhibit TW-151). As soon as it is authorized to do so, TWA would add an additional two round trips. The resulting schedule would not only provide direct connections to TWA's service to cities throughout the West and Southwest, but would provide a full pattern of service to the local St. Louis - Toronto market (Exhibit TW-155).

TWA will provide daily round trip one-stop service to Phoenix, a major vacation market, and San Diego, a market which has been underserved. In the 12 months ended June 30, 1994, there were 34,120 passengers in the San Diego - Toronto market--nearly 11 percent more than the number of passengers traveling between Pittsburgh and Toronto. A substantial number of additional San Diego passengers traveled via Los Angeles because of the nonstop service offered between Los Angeles and Toronto and the absence of any meaningful single plane Toronto - San Diego service (Exhibit TW-154), a service deficiency TWA proposes to address.

In addition, as shown by Exhibit TW-152, TWA will provide direct connections to 52



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on-line cities, including 35 served directly by TWA and 17 served by its commuter carrier affiliate, Trans World Express. In addition to the numerous points in the states surrounding St. Louis, major cities TWA will serve via direct jet connections include:

Texas and Gulf Coast:	Austin, Dallas/Ft. Worth, Houston, San Antonio, New Orleans, Birmingham
Rocky Mountains:	Denver, Colorado Springs, Salt Lake City, Albuquerque
Pacific Coast:	Los Angeles, Orange County, Ontario, San Francisco, Sacramento, San Jose, Portland, Seattle



TWA Schedules Proposal

Toronto - St. Louis

Westbound			Eastbound		
A	B	Flt. No.	C	D	
Dly.	Dly.	Freq.	Dly.	Dly.	
720	1710	Lv. Toronto Arr.	1620	2000	
825	1815	Arr. St. Louis Lv.	1330	1710	
916	1850	Lv. St. Louis Arr.	1254	1600	
1144	2055	Arr. Phoenix Lv. Arr. San Diego Lv.	855	1034	

Notes: (1) STL-PHX and STL-SAN are existing flights

(2) All flights operate with MD-80 equipment with seating configuration as follows:

First Clas:	12
Coach	<u>120</u>
Total	132



TWA

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Exhibit TW-152.

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Online Connections and Through Routings
TWA Proposed Toronto - St. Louis Nonstop Service
1995

DPRT. TWA ARRIVE
TORONTO FLIGHT # ST. LOUIS

DPRT ST. LOUIS	CITY	TW FLIGHT #	ARRIVAL TIME
9:04 AM	MARION, ILL.*	7342	9:45 AM
9:04 AM	SPRINGFIELD, ILL.*	7102	9:39 AM
9:05 AM	SHREVEPORT	477	10:36 AM
9:05 AM	SOUIX CITY*	7213	10:49 AM
9:05 AM	NEW ORLEANS	539	10:55 AM
9:05 AM	HOUSTON	605	11:12 AM
9:05 AM	EVANSVILLE*	7410	9:59 AM
9:06 AM	LAS VEGAS	419	10:36 AM
9:06 AM	MOLINE	509	9:58 AM
9:06 AM	MINNEAPOLIS	591	10:44 AM
9:06 AM	DENVER	457	10:32 AM
9:06 AM	OKLAHOMA CITY	95	10:39 AM
9:08 AM	OMAHA	523	10:29 AM
9:09 AM	CHAMPAIGN*	7438	9:59 AM
9:10 AM	PADUCAH*	7358	9:58 AM
9:11 AM	TULSA	73	10:31 AM
9:13 AM	SEATTLE	29	11:46 AM
9:14 AM	COLUMBIA, MO*	7029	9:55 AM
9:14 AM	LITTLE ROCK	141	10:29 AM
9:15 AM	SAN FRANCISCO	223	11:45 AM
9:15 AM	KANSAS CITY	111	10:26 AM
9:15 AM	SALT LAKE CITY	777	11:29 AM
9:16 AM	WICHITA	515	10:45 AM
9:16 AM	LOS ANGELES	443	11:36 AM
9:16 AM	PHOENIX	169	11:44 AM
9:18 AM	ONTARIO	221	11:17 AM
9:19 AM	LINCOLN	601	10:47 AM
9:20 AM	PORTLAND, OR.	159	11:53 AM
9:20 AM	BURLINGTON, IA.*	7058	10:10 AM
9:21 AM	PEORIA*	7126	10:09 AM
9:21 AM	DECATUR*	7290	10:03 AM
9:23 AM	SAN ANTONIO	679	11:48 AM
9:25 AM	SACRAMENTO	257	11:52 AM
9:25 AM	FAYETTEVILLE*	7398	10:49 AM
9:25 AM	SAN JOSE, CALIF.	203	12:01 PM
9:25 AM	WATERLOO, IA.*	7466	10:47 AM
9:26 AM	SAN DIEGO	203	11:30 AM
9:26 AM	CAPE GIRARDEAU	7390	10:06 AM
9:28 AM	ALBUQUERQUE	297	11:17 AM
9:28 AM	MEMPHIS	7150	10:39 AM
9:29 AM	JOPLIN	7061	10:44 AM
9:30 AM	AUSTIN	565	11:49 AM
9:30 AM	SPRINGFIELD, MO.	321	10:33 AM
9:31 AM	ORANGE COUNTY	65	11:49 AM
9:31 AM	DES MOINES	563	10:50 AM
9:55 AM	CEDAR RAPIDS	647	10:56 AM

7:15 AM 169 8:25 AM THRU



TWA

Online Connections And Through Routings
TWA Proposed Toronto - St. Louis Nonstop Service
1995

DPRT. TWA ARRIVE
TORONTO FLIGHT # ST. LOUIS

DPRT ST. LOUIS	CITY	TW FLIGHT #	ARRIVAL TIME
6:39 PM	BIRMINGHAM*	7462	8:18 PM
6:39 PM	DECATUR*	7322	7:21 PM
6:39 PM	EVANSVILLE*	7422	7:33 PM
6:39 PM	SPRINGFIELD, ILL.*	7090	7:14 PM
6:44 PM	COLUMBIA, MO.*	7033	7:43 PM
6:44 PM	SOUX CITY*	7211	8:28 PM
6:44 PM	BURLINGTON, IA.*	7056	7:35 PM
6:45 PM	TULSA	409	8:10 PM
6:45 PM	LITTLE ROCK	207	7:57 PM
6:48 PM	SAN ANTONIO	199	9:14 PM
6:48 PM	KANSAS CITY	323	8:03 PM
6:48 PM	ONTARIO, CALIF.	367	8:55 PM
6:49 PM	MINNEAPOLIS	331	8:23 PM
6:50 PM	LOS ANGELES	807	9:01 PM
6:50 PM	CEDAR RAPIDS	407	7:59 PM
6:50 PM	DALLAS	657	8:56 PM
6:50 PM	SAN DIEGO	97	8:55 PM
6:51 PM	DENVER	19	8:22 PM
6:52 PM	HOUSTON	639	9:07 PM
6:54 PM	WICHITA	147	8:28 PM
6:55 PM	CHAMPAIGN*	7446	7:43 PM
6:55 PM	JOPLIN*	7075	8:09 PM
6:56 PM	ALBUQUERQUE	91	8:44 PM
6:57 PM	SPRINGFIELD, MO.	517	8:04 PM
6:58 PM	AUSTIN	277	9:20 PM
6:59 PM	COLORADO SPRINGS	439	8:27 PM
6:59 PM	ORANGE COUNTY	211	9:20 PM
6:55 PM	DES MOINES	505	8:15 PM
7:00 PM	LINCOLN	677	8:40 PM
7:00 PM	SACRAMENTO	255	9:38 PM
7:00 PM	OKLAHOMA CITY	493	8:46 PM
7:00 PM	PEORIA*	7120	7:48 PM
7:00 PM	FAYETTEVILLE*	7406	8:23 PM
7:00 PM	SHREVEPORT	483	8:47 PM
7:01 PM	MOLINE	641	8:08 PM
7:05 PM	OMAHA	487	8:34 PM
7:05 PM	PHOENIX	179	9:41 PM
7:05 PM	LAS VEGAS	163	8:47 PM
7:05 PM	SOUTS FALLS	663	8:55 PM
7:05 PM	SAN JOSE, CALIF.	249	9:45 PM
7:05 PM	QUINCY*	7378	7:47 PM
7:05 PM	SEATTLE	375	9:49 PM
7:05 PM	SAN FRANCISCO	845	9:35 PM
7:11 PM	SALT LAKE CITY	475	9:31 PM
7:18 PM	WATERLOO, IA.*	7472	8:40 PM

5:05 PM 97 6:15 PM THRU



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TWA

Online Connections and Through Routings
TWA Proposed St. Louis - Toronto Nonstop Service
1995

DPRT. TIME	CITY	TW FLIGHT #	ARRIVE ST LOUIS	DPRTS ST LOUIS	TWA FLIGHT #	ARRIVES TORONTO
7:05 AM	LOS ANGELES	450	12:25 PM			
11:47 AM	COLUMBIA, MO.*	7030	12:27 PM			
11:49 AM	SPRINGFIELD, ILL.*	7087	12:27 PM			
10:30 AM	HOUSTON	284	12:27 PM			
11:30 AM	DES MOINES	579	12:28 PM			
11:17 AM	OMAHA	176	12:29 PM			
11:36 AM	CEDAR RAPIDS	514	12:30 PM			
11:30 AM	MEMPHIS*	7141	12:31 PM			
11:30 AM	KANSAS CITY	422	12:31 PM			
11:40 AM	BURLINGTON, IA.*	7055	12:32 PM			
11:50 AM	QUINCY, ILL.*	7375	12:32 PM			
7:30 AM	LAS VEGAS	844	12:33 PM			
10:27 AM	SAN ANTONIO	276	12:34 PM			
9:35 AM	COLORADO SPRINGS	440	12:34 PM			
11:25 AM	LITTLE ROCK	230	12:34 PM			
10:50 AM	NEW ORLEANS	106	12:34 PM			
11:42 AM	SPRINGFIELD, MO.	658	12:35 PM			
7:00 AM	ORANGE COUNTY	278	12:38 PM			
7:10 AM	SAN DIEGO	136	12:40 PM			
11:27 AM	LINCOLN	600	12:41 PM			
7:10 AM	ONTARIO, CALIF.	208	12:42 PM			
11:20 AM	FAYETTEVILLE*	7401	12:42 PM			
6:50 AM	PORTLAND, OR.	228	12:42 PM			
11:28 AM	TULSA	598	12:43 PM			
11:27 AM	WICHITA	614	12:44 PM			
8:59 AM	SALT LAKE CITY	360	12:45 PM			
11:35 AM	JOPLIN*	7064	12:47 PM			
9:29 AM	ALBUQUERQUE	700	12:47 PM			
11:47 AM	MOLINE*	7159	12:48 PM			
8:55 AM	PHOENIX	224	12:50 PM	THRU 1:30 PM	224	4:20 PM
11:20 AM	SHREVEPORT	516	12:50 PM			
7:07 AM	SACRAMENTO	114	12:50 PM			
7:00 AM	SAN FRANCISCO	810	12:50 PM			
11:24 AM	OKLAHOMA CITY	246	12:52 PM			
6:59 AM	SAN JOSE, CALIF	270	12:53 PM			
11:19 AM	MINNEAPOLIS	592	12:54 PM			
11:35 AM	WATERLOO*	7469	12:54 PM			
6:56 AM	SEATTLE	142	12:54 PM			
11:11 AM	DALLAS	363	12:57 PM			
12:14 PM	DECATUR, ILL.*	7307	12:58 PM			
11:19 AM	SOUIX CITY*	7216	12:59 PM			
11:55 AM	EVANSVILLE*	7445	12:59 PM			
12:04 PM	CHAMPAIGN*	7445	12:59 PM			



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TWA

Online Connections And Through Routings
TWA Proposed St. Louis - Toronto Nonstop Service
1995

DPRT. TIME	CITY	TW FLIGHT #	ARRIVE ST. LOUIS		DPRTS ST. LOUIS	TWA FLIGHT #	ARRIVES TORONTO
3:09 PM	QUINCY*	7373	3:31 PM				
2:40 PM	PADUCAH*	7363	3:32 PM				
10:15 AM	LOS ANGELES	720	3:41 PM				
3:10 PM	MARION, ILL.*	7347	3:53 PM				
3:01 PM	CEDAR RAPIDS	415	3:55 PM				
3:03 PM	BURLINGTON, IA*	7053	3:55 PM				
3:00 PM	CHAMPAIGN*	7449	3:55 PM				
10:25 AM	SAN FRANCISCO	380	3:57 PM				
1:55 PM	SAN ANTONIO	312	3:58 PM				
12:54 PM	DENVER	332	3:58 PM				
2:55 PM	EVANSVILLE*	7421	3:59 PM				
3:08 PM	PEORIA*	7117	3:59 PM				
10:40 AM	SAN DIEGO	534	4:05 PM	THRU	5:05 PM	534	8:00 PM
2:49 PM	TULSA	028	4:02 PM				
10:30 AM	ORANGE COUNTY	220	4:02 PM				
3:22 PM	DECATUR*	7311	4:04 PM				
3:27 PM	SPRINGFIELD, ILL.*	7085	4:05 PM				
3:00 PM	LITTLE ROCK	574	4:05 PM				
12:50 PM	ALBUQUERQUE	334	4:06 PM				
2:55 PM	LINCOLN	398	4:07 PM				
2:10 PM	AUSTIN	550	4:10 PM				
3:00 PM	OMAHA	492	4:10 PM				
3:10 PM	MOLINE*	7167	4:10 PM				
3:30 PM	COLUMBIA, MO*	7038	4:10 PM				
2:45 PM	OKLAHOMA CITY	480	4:10 PM				
2:40 PM	MINNEAPOLIS	083	4:12 PM				
2:32 PM	SOUX CITY*	7218	4:12 PM				
2:55 PM	WICHITA	124	4:12 PM				
3:10 PM	DES MOINES	078	4:12 PM				
2:45 PM	SOUX FALLS	404	4:13 PM				
2:55 PM	FAYETTEVILLE*	7403	4:17 PM				
3:20 PM	SPRINGFIELD, MO.	290	4:18 PM				
12:25 PM	SALT LAKE CITY	010	4:19 PM				
10:30 AM	SEATTLE	204	4:20 PM				
3:04 PM	MEMPHIS*	7139	4:21 PM				
3:22 PM	KANSAS CITY	119	4:23 PM				
11:21 AM	LAS VEGAS	414	4:26 PM				
2:42 PM	DALLAS	570	4:26 PM				
3:14 PM	JOPLIN*	7074	4:26 PM				
3:08 PM	WATERLOO, IA*	7457	4:27 PM				
12:30 PM	PHOENIX	150	4:28 PM				
2:42 PM	NEW ORLEANS	108	4:28 PM				
2:35 PM	HOUSTON	326	4:35 PM				

TOTAL THROUGH/CONNECTION OPPORTUNITIES 43



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Trans World Airlines
St. Louis - Toronto
Annual Operating Statistics

Departures	1,460
Plane Miles	954,840
ASMs (000)	126,039
Block Hours	2,858
Fuel Burn (Gallons/Hour)	845
Annual Fuel Consumption (000)	2,416

RECENT HISTORY OF TORONTO – SAN DIEGO DIRECT SERVICE

1993												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
YYZ – SAN	NW 2/S	NW 2/S UA 1/S	NW 2/S	NONE	NONE	NONE	NONE	NONE	UA 1/S	UA 1/S	US 2/S	AA 1/S US 2/S
SAN – YYZ	NONE	UA 1/S	NONE	AA 1/S	AA 1/S	AA 1/S	AA 1/S	AA 1/S	NONE	NONE	US 2/S	US 2/S
1994												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
YYZ – SAN	AA 1/S US 2/S	AA 1/S US 2/S	AA 1/S NW 2/S	AA 1/S NW 2/S	AA 1/S	NONE	NONE	NONE	UA 2/S	NONE	NONE	NONE
SAN – YYZ	US 2/S UA 1/S	US 1/S UA 1/S	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	UA 1/S	UA 1/S
1995												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>								
YYZ – SAN	US 2/S	US 2/S	NONE	NONE								
SAN – YYZ	UA 1/S	NONE	NONE	NONE								



TWA 3rd Year Schedule Proposal

Toronto - St. Louis

Westbound						Eastbound			
A	B	C	D	Flt. No.		E	F	G	H
Dly.	Dly.	Dly.	Dly.	Freq.		Dly.	Dly.	Dly.	Dly.
720	1015	1315	1710	Lv.	Toronto	Arr.	1050	1620	2000 2300
825	1120	1420	1815	Arr.	St. Louis	Lv.	800	1330	1710 2010
916	1209	1512	1850	Lv.	St. Louis	Arr.	718	1254	1600 1931
		1615		Arr.	Kansas City	Lv.	620		
	1323			Arr.	Denver	Lv.			1620
1144				Arr.	Phoenix	Lv.	855		
		2055		Arr.	San Diego	Lv.		1034	

Notes: (1) STL-PHX and STL-SAN are existing flights

(2) All flights operate with MD-80 equipment with seating configuration as follows:

First Class	12
Coach	120
Total	132



**TWA's Proposed Fares For Its
St. Louis - Toronto Service**

St. Louis - Toronto US\$

Round Trip Excursion Fares

14 Day AP Excursion \$276

7 Day AP Excursion \$324

One Way Normal Fares

Day Of Departure - Coach \$276

Day Of Departure - First Class \$404

Phoenix - Toronto

Round Trip Excursion Fares

14 Day AP Excursion \$420

7 Day AP Excursion \$492

One Way Normal Fares

Day Of Departure - Coach \$420

Day Of Departure - First Class \$751

San Diego - Toronto

Round Trip Excursion Fares

14 Day AP Excursion \$420

7 Day AP Excursion \$492

One Way Normal Fares

Day Of Departure - Coach \$420

Day Of Departure - First Class \$751



**TWA's Proposed Cargo Rates
For Its St. Louis - Toronto Service**

St. Louis to Toronto

\$US

Minimum Charge	\$40.00
+ 100 lbs	.40
+ 440 lbs	.38
+ 1100 lbs	.36

Phoenix to Toronto

Minimum Charge	\$40.00
100 lbs	.45
440 lbs	.42
1100 lbs	.39

San Diego to Toronto

Minimum Charge	\$40.00
+ 100 lbs	.45
+ 440 lbs	.42
+ 1100 lbs	.39



PROPOSED FARES, PASSENGER DISTRIBUTION
AND ESTIMATED WEIGHTED AVERAGE FARES

City Pairs for which single-plane service is proposed				Passenger Distribution	Weighted Average All Fares (with 1st Class) w/out 1st Class	
St. Louis - Toronto	Full Fare	Fare Class	Proposed Fares			
		First class	\$404 USD	04%	20.2	
		Economy	\$276 USD	30%	104.9	110.4
	Discount	14 day AP	\$138 USD	30%	52.4	55.2
		07 day AP	\$162 USD	05%	9.7	11.3
		Groups	\$122 USD	05%	7.3	8.5
		Other	\$118 USD	05%	5.9	7.1
		Subtotal		79%		
		Total before dilution			\$200	\$193
		Other dilution			\$21	\$20
		Total after dilution			\$179	\$173
Phoenix - Toronto	Full Fare	First class	\$751 USD	04%	37.6	
		Economy	\$420 USD	20%	105.0	112.1
	Discount	14 day AP	\$210 USD	40%	107.1	111.9
		07 day AP	\$246 USD	05%	14.8	17.2
		Groups	\$186 USD	05%	11.2	13.1
		Other	\$177 USD	05%	12.4	10.6
		Subtotal		79%		
		Total before dilution			\$288	\$265
		Other dilution			\$78	\$72
		Total after dilution			\$210	\$193
San Diego - Toronto	Full Fare	First class	\$751 USD	04%	37.6	
		Economy	\$420 USD	20%	105.0	112.1
	Discount	14 day AP	\$210 USD	40%	107.1	111.9
		07 day AP	\$246 USD	05%	14.8	17.2
		Groups	\$186 USD	05%	11.2	13.1
		Other	\$177 USD	05%	12.4	10.6
		Subtotal		79%		
		Total before dilution			\$288	\$265
		Other dilution			\$81	\$75
		Total after dilution			\$207	\$190



Trans World Airlines
St. Louis - Toronto
Traffic Forecast

If it were authorized to serve the St. Louis - Toronto route, TWA estimates it would carry 105,170 passengers during the 12 months ended March 31, 1996. Nearly half of that traffic, 46,230 passengers, would be St. Louis - Toronto O&D passengers, responding to the first nonstop service in a market which has lacked a consistent pattern of direct service. An estimated 17,309 Toronto passengers would be carried to and from San Diego and Phoenix, cities where TWA will operate one-stop Toronto service.

The derivation of the forecast is detailed in Exhibit TW-301. The forecast incorporates updated base traffic as furnished by Public Counsel and revised forecast growth rates, to reflect the effect on historical growth rates of the updated traffic base. In all other respects, forecast assumptions are identical to those contained in TWA's Exemption Application (Exhibit TW-30).

Base Traffic

The base is actual O&D traffic for the 12 months ended June 30, 1994, as contained in PC1R2D.



Growth

To estimate traffic for the forecast period TWA has applied an annual growth rate of 4.5 percent, the growth rate in the first half of 1994 of passengers between Toronto and points in the U.S. other than the Northeast and Florida (Exhibit TW-302).

As shown in Exhibit TW-302, U.S. - Toronto traffic has been subject to significant fluctuations as a result of economic conditions, including currency fluctuations. Total passengers peaked in 1990, then declined sharply in 1991 and remained below 1990 levels until the most recent reporting period. Those data were heavily influenced by a decline in Toronto traffic in the Northeast. In the latest reporting period Northeast - Toronto passengers still were more than 11 percent below 1990 levels. Until late 1993, a partial offset was strong growth in Florida traffic, but in the past year there has been a sharp reduction in that traffic.

TWA's Toronto service area consists exclusively of U.S. points outside the Northeast and Florida, and traffic growth in that area ("Other U.S." in Exhibit TW-302) best describes the growth in demand for the service TWA proposes. Traffic in the TWA service area has recovered from the 1991 recession and has been increasing at a faster rate than the traditional Northeast and Florida markets.



The forecast growth rate is supported by trends in the Canadian economy.

Economic growth accelerated in late 1994 and is expected to continue well into 1995.

(Exhibit TW-303).

Stimulation

TWA has applied stimulation to only two markets: St. Louis, where it will provide the first nonstop service, and San Diego, where it will offer the first round trip one-stop service. TWA estimates St. Louis - Toronto stimulation at 100 percent and San Diego - Toronto stimulation at 50 percent.

Traffic between St. Louis and Toronto has been severely impacted by the absence of direct service. In seven of the 12 months ended June 30, 1994, there was no round trip single plane service. In three other months the only single plane service from Toronto was a two-stop flight. In only one month, June 1994, was round trip single plane service provided by the same carrier. (Exhibit TW-104).

As a result, St. Louis - Toronto traffic has been substantially below the levels which would be indicated by a comparison of its population and domestic O&D traffic.



with that of Midwest hubs which have nonstop service to Toronto. (Exhibit TW-102). For example, Nashville, a market less than half the size of St. Louis, has 55 percent more Toronto passengers. Even with 100 percent stimulation, estimated St. Louis - Toronto O&D passengers would be less than would be suggested by the relative size of the St. Louis market.

San Diego - Toronto traffic also has been impacted by the lack of single plane service. (Exhibit TW-154). Moreover, because of nonstop service between Toronto and Los Angeles and the proximity of Los Angeles to San Diego, some number of San Diego passengers have been diverted to Los Angeles and have been excluded from the base traffic. Thus, standard application of the QSI formula would understate the stimulation associated with first single plane service.

Market Share

For purposes of estimating TWA's market share, it is assumed that as a result of this proceeding, TWA's service would replace USAir's Toronto - Pittsburgh service. Delta's Toronto - Atlanta service, assumed to remain in effect, would have a negligible effect on TWA traffic since there is little overlap in markets Delta would serve via Atlanta and those TWA would serve via St. Louis.



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Exhibit TW-300
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TWA's forecast St. Louis - Toronto market share is consistent with the absence of alternative direct service and the share of the nonstop carrier in other Toronto markets. (See TWA's Motion for Leave to File and Surreply in the U.S. - Toronto Exemption proceeding, Docket 50049. See also Exhibit DL-302 in the same proceeding.) Its forecast share in other single plane markets is based on an assessment of competitive service.

Because TWA would be limited to two daily Toronto round trips, its connecting service via St. Louis will not be fully competitive with service via other hubs in the Midwest--Chicago and Detroit, at which there are no frequency limitations. TWA's forecast of traffic in those markets served via connections recognizes that competitive disadvantage.

Seasonality

Projected traffic by month is shown in Exhibit TW-304. Seasonality is based on experience on the Chicago - Toronto route.



Trans World Airlines
St. Louis - Toronto
Passenger Forecast
12 Months Ended March 31, 1996

	Total Market 12 Months Ended June 30, 1994 (1)	Average Annual Growth (2)	Base Forecast	Stimulation (3)	Adjusted Forecast	TWA Market Share (4)	TWA Passengers
NONSTOP SERVICE							
St. Louis	28,570	4.5%	30,820	100.0%	61,640	75.0%	46,230
ONE-STOP SERVICE							
Phoenix	56,890	4.5%	61,370	0.0%	61,370	10.0%	6,137
San Diego	34,520	4.5%	37,238	50.0%	55,858	20.0%	11,172
Total	91,410		98,609		117,228		17,309
ONLINE JET CONNECTIONS							
Albuquerque	8,390	4.5%	9,051	0.0%	9,051	15.0%	1,358
Austin	11,130	4.5%	12,006	0.0%	12,006	5.0%	600
Cedar Rapids	4,360	4.5%	4,703	0.0%	4,703	10.0%	470
Colorado Spring	4,280	4.5%	4,617	0.0%	4,617	5.0%	231
Dallas/Ft. Worth	108,920	4.5%	117,497	0.0%	117,497	2.0%	2,350
Denver	41,960	4.5%	45,264	0.0%	45,264	10.0%	4,526
Des Moines	5,610	4.5%	6,052	0.0%	6,052	5.0%	303
Honolulu	18,730	4.5%	20,205	0.0%	20,205	2.0%	404
Houston	22,530	4.5%	24,304	0.0%	24,304	2.0%	486
Kansas City	21,180	4.5%	22,848	0.0%	22,848	5.0%	1,142
Las Vegas	32,500	4.5%	35,059	0.0%	35,059	2.0%	701
Lincoln	2,360	4.5%	2,546	0.0%	2,546	2.0%	51
Little Rock	4,060	4.5%	4,380	0.0%	4,380	10.0%	438
Los Angeles	242,650	4.5%	261,759	0.0%	261,759	2.0%	5,235
Louisville	7,230	4.5%	7,799	0.0%	7,799	5.0%	390
Moline	3,480	4.5%	3,754	0.0%	3,754	15.0%	563
Nashville	45,340	4.5%	48,911	0.0%	48,911	2.0%	978
New Orleans	30,250	4.5%	32,632	0.0%	32,632	5.0%	1,632
Oklahoma City	4,390	4.5%	4,736	0.0%	4,736	10.0%	474
Omaha	5,510	4.5%	5,944	0.0%	5,944	5.0%	297
Ontario	9,580	4.5%	10,334	0.0%	10,334	4.0%	413
Orange County	13,300	4.5%	14,347	0.0%	14,347	5.0%	717
Portland	13,560	4.5%	14,628	0.0%	14,628	5.0%	731
Sacramento	7,690	4.5%	8,296	0.0%	8,296	5.0%	415
Salt Lake City	17,540	4.5%	18,921	0.0%	18,921	5.0%	946
San Antonio	12,080	4.5%	13,031	0.0%	13,031	10.0%	1,303
San Francisco	175,690	4.5%	189,526	0.0%	189,526	2.0%	3,791
San Jose	13,840	4.5%	14,930	0.0%	14,930	5.0%	746
Seattle	29,480	4.5%	31,802	0.0%	31,802	2.0%	636
Shreveport	1,640	4.5%	1,769	0.0%	1,769	2.0%	35
Sioux Falls	1,300	4.5%	1,402	0.0%	1,402	15.0%	210
Springfield, MO	1,170	4.5%	1,262	0.0%	1,262	15.0%	189
Tulsa	5,450	4.5%	5,879	0.0%	5,879	5.0%	294
Wichita	4,300	4.5%	4,639	0.0%	4,639	10.0%	464
Total	931,480		1,004,834		1,004,834		33,522



Trans World Airlines
St. Louis - Toronto
Passenger Forecast
12 Months Ended March 31, 1996

	Total Market 12 Months Ended June 30, 1994 (1)	Average Annual Growth (2)	Base Forecast	Stimulation (3)	Adjusted Forecast	TWA Market Share (4)	TWA Passengers
TRANS WORLD EXPRESS CONNECTIONS							
Birmingham	4,510	4.5%	4,865	0.0%	4,865	5.0%	243
Burlington	570	4.5%	615	0.0%	615	25.0%	154
Champagne	1,160	4.5%	1,251	0.0%	1,251	5.0%	63
Columbia	120	4.5%	129	0.0%	129	75.0%	97
Decatur	350	4.5%	378	0.0%	378	50.0%	189
Evansville	1,900	4.5%	2,050	0.0%	2,050	5.0%	102
Fayetteville	3,010	4.5%	3,247	0.0%	3,247	25.0%	812
Joplin	350	4.5%	378	0.0%	378	75.0%	283
Marion	0	4.5%	0	0.0%	0	75.0%	0
Memphis	11,470	4.5%	12,373	0.0%	12,373	5.0%	619
Paducah	310	4.5%	334	0.0%	334	30.0%	100
Peoria	1,660	4.5%	1,791	0.0%	1,791	10.0%	179
Quincy	170	4.5%	183	0.0%	183	45.0%	83
Sioux City	760	4.5%	820	0.0%	820	20.0%	164
Springfield, IL	570	4.5%	615	0.0%	615	20.0%	123
Waterloo	780	4.5%	841	0.0%	841	25.0%	210
Total	27,690	4.5%	29,029		29,029		3,210

INTERLINE CONNECTIONS AT TORONTO

8 cities (5)	65,335	7.5%	4,900
TOTAL ON BOARD			105,170

See page 3 for footnotes



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Exhibit TW-301
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Trans World Airlines
St. Louis - Toronto
Passenger Forecast
12 Months Ended March 31, 1996

Footnotes

- (1) Source: PCIR2D
- (2) See Exhibit TW-302
- (3) Stimulation has been applied only in city-pairs where TWA will provide first nonstop service (YYZ-STL) or first one-stop service (YYZ-SAN).
- (4) TWA's share of forecast QSI values, modified by judgment
- (5) TWA's service will connect at Toronto with Ottawa, Halifax, London, Sudsbury, Sault St. Marie, Thunder Bay, North Bay and St. Johns.
Traffic based on DOT O&D Survey, second quarter 1994.



**Traffic Between Toronto and the "Other U.S."
has Grown Faster than Traffic Between Toronto
and the Northeast/Florida**

	1988	1989	1990	1991	1992	1993	1994 (1)
	3,479,320	3,561,040	3,848,510	3,469,130	3,697,870	3,837,220	3,857,460
NYC	746,890	798,970	832,490	714,900	737,090	741,670	752,110
BOS	243,730	263,630	262,450	234,150	220,870	207,990	213,410
BAL/WAS	118,120	111,240	115,100	79,070	72,760	65,420	64,620
BUF	8,750	5,520	5,760	4,550	3,460	910	0
PHL	113,830	94,460	104,240	91,920	99,020	107,190	111,630
PIT	38,520	20,620	23,080	25,860	35,660	32,180	31,120
N.E. Total	1,269,840	1,294,440	1,343,120	1,150,450	1,168,860	1,155,360	1,172,890
Other U.S.	2,209,480	2,266,600	2,505,390	2,318,680	2,529,010	2,681,860	2,684,570
MIA	158,640	181,410	210,880	226,120	218,420	217,660	208,180
FLL	43,900	21,200	22,440	20,670	39,850	40,740	34,950
PBI	15,130	13,990	14,150	13,270	16,150	20,030	21,060
RSW	15,810	13,520	11,960	10,050	15,130	17,660	15,100
SRQ	8,880	5,900	9,550	8,920	9,870	10,250	9,040
TPA	123,170	158,240	216,710	195,430	214,380	206,400	186,290
MCO	39,200	35,650	41,350	36,010	66,580	74,340	67,810
DAB	6,340	2,880	4,460	3,310	4,980	4,440	3,610
FLA Total	411,070	432,790	531,500	513,780	585,360	591,520	546,040
U.S. Excl. N.E., FLA	1,798,410	1,833,810	1,973,890	1,804,900	1,943,650	2,090,340	2,138,530



O&D Passengers between
Toronto and the United States

	Total	Northeast (2)	Florida (3)	Other U.S.
1988	3,479,320	1,261,090	411,070	1,807,160
1989	3,561,040	1,288,920	432,790	1,839,330
1990	3,848,510	1,337,360	531,500	1,979,650
1991	3,469,130	1,145,900	513,780	1,809,450
1992	3,697,870	1,165,400	585,360	1,947,110
1993	3,837,220	1,154,450	591,520	2,091,250
1994 (1)	3,857,460	1,172,890	546,040	2,138,530

Average annual growth rate to June 30, 1994:

From 1988	1.9%	-1.3%	5.3%	3.1%
From 1990	0.0%	-3.7%	0.7%	2.2%
From 1991	4.3%	0.9%	2.4%	6.9%
From 1993	1.1%	3.2%	-22.5%	4.5%

(1) 12 Months ended June 30, 1994

(2) From Page 3 of this Exhibit

(3) From Page 4 of this Exhibit



O&D Passengers between Toronto
And Gateways in the Northeast

	NYC	BOS	PHL	BAL/WAS	PIT	BUF	Total
1988	746,890	243,730	113,830	118,120	38,520	8,750	1,261,090
1989	798,970	263,630	94,460	111,240	20,620	5,520	1,288,920
1990	832,490	262,450	104,240	115,100	23,080	5,760	1,337,360
1991	714,900	234,150	91,920	79,070	25,860	4,550	1,145,900
1992	737,090	220,870	99,020	72,760	35,660	3,460	1,165,400
1993	741,670	207,990	107,190	65,420	32,180	910	1,154,450
1994 (1)	752,110	213,410	111,630	64,620	31,120	0	1,172,890

(1) 12 Months ended June 30, 1994

Source: PCIR2D



O&D Passengers between Toronto
And Florida

	MIA	FLL	PBI	RSW	SRQ	TPA	MCO	DAB	Total
1988	158,640	43,900	15,130	15,810	8,880	123,170	39,200	6,340	411,070
1989	181,410	21,200	13,990	13,520	5,900	158,240	35,650	2,880	432,790
1990	210,880	22,440	14,150	11,960	9,550	216,710	41,350	4,460	531,500
1991	226,120	20,670	13,270	10,050	8,920	195,430	36,010	3,310	513,780
1992	218,420	39,850	16,150	15,130	9,870	214,380	66,580	4,980	585,360
1993	217,660	40,740	20,030	17,660	10,250	206,400	74,340	4,440	591,520
1994 (1)	208,180	34,950	21,060	15,100	9,040	186,290	67,810	3,610	546,040

(1) 12 Months ended June 30, 1994

Source: PCIR2D



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The Canadian Economy is Growing

Copyright 1995 Toronto Star Newspapers, Ltd.
The Toronto Star

March 2, 1995, Thursday, FINAL EDITION

SECTION: BUSINESS; Pg. D1

HEADLINE: Economy roared in '94: StatsCan

BYLINE: OTTAWA

BODY:

The boom came back last year and, at least temporarily, with little inflation.

The economy, fueled by exports and consumer and business spending, steamed ahead at a robust 4.5-per-cent pace in 1994, Statistics Canada said yesterday.

And in the final quarter of the year, the growth was at a torrid annual rate of 5.9 per cent, the agency said in its latest report card on the economy, which suggest there's more growth to come, analysts said.

The economy was as "strong as bear's breath," piped investment firm Nesbitt Burns, adding that "prospects look particularly bright for at least the first half of 1995."

"It's quite an impressive performance," said StatsCan analyst Philip Cross.

It's an "A-minus," with pockets of weakness but potential for further improvement this year, added Wood Gundy economist Avery Shenfeld.

The economy was still leaning on exports for support, housing continued to be depressed by high interest rates and unemployment remained close to 10 per cent.

"The big story has to be exports," said Cross, noting that housing "ranked" at year end.

Still, 1994's expansion was stronger than the 4.3 per cent final figure forecasts by Finance Minister Paul Martin in this week's budget. It was also more than double 1993's 2.2 per cent, and the strongest performance since 1988.

"The rate of advance over the past few quarters has been comparable to that over the expansionary period in 1987 and 1988," StatsCan noted. The big difference is that inflation, at least so far, is absent.

GRAPHIC: 5-star chart (Statistics Canada): GDP at 1996 prices
GDP is current dollars 1981-94



Trans World Airlines
St. Louis - Toronto
Passenger Forecast by Month
12 Months Ended March 31, 1996

	Passengers	% of Year (1)
1995		
April	8,086	7.7%
May	8,218	7.8%
June	10,047	9.6%
July	9,770	9.3%
August	11,021	10.5%
September	9,743	9.3%
October	10,583	10.1%
November	7,430	7.1%
December	7,692	7.3%
1996		
January	6,937	6.6%
February	6,969	6.6%
March	8,674	8.2%
Total	105,170	100.0%

(1) Based on YYZ-ORD passengers transported by
American, Air Canada and United during
the 12 months ended September 1994

Source: PCIR1C



Trans World Airlines
St. Louis - Toronto
Revenue Passenger Miles
12 Months Ended March 31, 1996

	Forecast Psgs (1)	Miles Via STL	RPMs (000)
St. Louis	46,230	654	30,234
Albuquerque	1,358	1587	2,155
Austin	600	1371	823
Cedar Rapids	470	882	415
Colorado Springs	231	1428	330
Dallas/Ft. Worth	2,350	1204	2,829
Denver	4,526	1435	6,495
Des Moines	303	1094	331
Honolulu	404	4783	1,933
Houston	486	1341	652
Kansas City	1,142	941	1,075
Las Vegas	701	2026	1,421
Lincoln	51	1024	52
Little Rock	438	950	416
Los Angeles	5,235	2246	11,758
Louisville	390	908	354
Moline	563	841	474
Nashville	978	925	905
New Orleans	1,632	1458	2,379
Oklahoma City	474	1136	538
Omaha	297	996	296
Ontario	413	2201	910
Orange County	717	2224	1,595
Phoenix	6,137	1916	11,759
Portland	731	2362	1,728
Sacramento	415	2334	968
Salt Lake City	946	1812	1,714
San Antonio	1,303	1442	1,879
San Diego	11,172	2211	24,700
San Francisco	3,791	2392	9,067
San Jose	746	2369	1,768
Seattle	636	2363	1,503
Shreveport	35	1130	40
Sioux Falls	210	1125	237
Springfield, MO	189	849	161
Tulsa	294	1005	295
Wichita	464	1046	485
Trans World Express Connections at STL	3,210	654	2,100
Interline Connections At Toronto	4,900	654	3,205
Total	105,170		129,978

(1) From Exhibit TW-301



Trans World Airlines
St. Louis - Toronto Service
Enplaned Passengers
12 Months Ended March 31, 1996

Total Online O&D Passengers 105,170
Online Connections at STL:

Phoenix (1)	1,227
San Diego (1)	2,234
Other	33,552
Total	37,014
Total Enplaned Passengers	142,184

(1) 20 percent of forecast passengers
Source: Exhibit TW-301



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Exhibit TW-400
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**Trans World Airlines
St. Louis - Toronto Service
Financial Projections**

TWA estimates that during the 12 months ended March 31, 1996, its St. Louis - Toronto service would generate \$20.1 million in revenues, including revenues beyond St. Louis, and an operating profit of \$6.8 million (Exhibit TW-401). Consistent with the requirements of Order 95-2-57, this estimate is based on fares which would have been offered on April 1, 1994, and DOT Form 41 unit costs for the 12 months ended September 30, 1994.

TWA anticipates that its actual costs will be lower than those incorporated into these projections. As a result of agreements with its labor union and other financial restructuring, its unit costs have been substantially reduced.

Since TWA's current participation in Toronto traffic is negligible, it anticipates no self-diversion.

Passenger Revenue

TWA's projected revenue is estimated at 85 percent of the actual average revenues per passenger by O&D market in the second quarter of 1994 (Exhibit TW-403). These



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Exhibit TW-400
Page 2 of 2

average per passenger revenues are consistent with April 1, 1994 fare levels (Exhibit TW-201). Because TWA will be a new carrier in Canada, with only two daily round trips on a single route, it does not anticipate that it can achieve competitive parity initially. To compete successfully, TWA will be more aggressive in promotional pricing than the incumbent carriers have been. The derivation of TWA's revenue estimate is shown in Exhibit TW-402.

Operating Expenses

TWA's estimated operating expenses are detailed in Exhibit TW-404. It is a standard projections based on unit costs for the specified base period, 12 months ended September 1994 (Exhibit TW-405). In fact, as indicated above, TWA's costs would be substantially below those shown here as a result of its reduction in labor costs and other financial restructuring actions.



**Trans World Airlines
St. Louis - Toronto Service
Estimated Profit & Loss Statement
12 Months Ended March 31, 1996
(\$ in 000)**

Revenues	
Passenger (1)	\$19,714
Cargo (2)	374
Total	\$20,088
Operating Expenses (3)	13,474
Operating Profit	\$6,614

(1) From Exhibit TW-402
Includes beyond-segment revenue.

(2) Estimate, based on PIT-STL experience

(3) From Exhibit TW-404

Note: TWA anticipates no self-diversion



Trans World Airlines
Forecast of Passenger Revenue
12 Months Ended March 31, 1996

	Passengers (1)	Average Revenue Per Passg (2)	Passenger Revenue (000)
NONSTOP SERVICE			
St. Louis	46,230	\$179.71	\$8,308
ONE-STOP SERVICE			
Phoenix	6,137	209.77	1,287
San Diego	11,172	206.46	2,306
Total	17,309		3,594
ONLINE JET CONNECTIONS			
Albuquerque	1,358	197.08	268
Austin	600	228.74	137
Cedar Rapids	470	178.85	84
Colorado Springs	231	212.63	49
Dallas/Ft. Worth	2,350	196.65	462
Denver	4,526	199.42	903
Des Moines	303	178.60	54
Honolulu	404	304.37	123
Houston	486	151.20	73
Kansas City	1,142	199.00	227
Las Vegas	701	221.08	155
Lincoln	51	193.20	10
Little Rock	438	189.41	83
Los Angeles	5,235	199.77	1,046
Louisville	390	190.21	74
Moline	563	186.56	105
Nashville	978	194.03	190
New Orleans	1,632	149.56	244
Oklahoma City	474	200.85	95
Omaha	297	194.54	58
Ontario	413	227.17	94
Orange County	717	279.95	201
Portland	731	280.50	205
Sacramento	415	230.31	96
Salt Lake City	946	251.00	237
San Antonio	1,303	225.20	293
San Francisco	3,791	200.03	758
San Jose	746	260.73	195
Seattle	636	256.24	163
Shreveport	35	215.67	8
Sioux Falls	210	155.38	33
Springfield, MO	189	186.17	35
Tulsa	294	227.20	67
Wichita	464	242.58	113



**Trans World Airlines
Forecast of Passenger Revenue
12 Months Ended March 31, 1996**

	Passengers (1)	Average Revenue Per Pgr (2)	Passenger Revenue (000) (3)
TRANS WORLD EXPRESS CONNECTIONS			
16 Cities	3,210	107.82 (3)	\$346
INTERLINE CONNECTIONS AT TORONTO			
8 Cities	4,900	107.82 (3)	528
TOTAL	105,170	\$187.44	\$19,714

(1) From Exhibit TW-301

(2) 85 percent of second quarter 1994 revenue per passenger.
See Exhibit TW-403.

(3) 60 percent of YYZ-STL, based on TWA experience.



U.S. Carrier Passenger Traffic and Revenue
(10 Percent Sample)
Second Quarter 1994

	Passengers	Passenger Revenue	Revenue Per Psgr
St. Louis	793	\$167,656	\$211
Phoenix	1,117	275,666	247
San Diego	734	178,285	243
Albuquerque	187	43,358	232
Austin	320	86,115	269
Cedar Rapids	128	26,932	210
Colorado Springs	127	31,769	250
Dallas/Ft. Worth	2,861	661,910	231
Denver	1,018	238,830	235
Des Moines	179	37,611	210
Honolulu	142	50,848	358
Houston	173	30,773	178
Kansas City	573	134,147	234
Las Vegas	598	155,539	260
Lincoln	69	15,683	227
Little Rock	150	33,425	223
Los Angeles	1,483	348,546	235
Louisville	208	46,545	224
Moline	96	21,070	219
Nashville	1,100	251,092	228
New Orleans	751	132,139	176
Oklahoma City	151	35,681	236
Omaha	161	36,849	229
Ontario	229	61,201	267
Orange County	283	93,207	329
Portland	361	119,131	330
Sacramento	196	53,107	271
Salt Lake City	391	115,461	295
San Antonio	280	74,185	265
San Francisco	1,651	388,522	235
San Jose	404	123,924	307
Seattle	802	241,774	301
Shreveport	66	16,746	254
Sioux Falls	44	8,043	183
Springfield, MO	45	9,856	219
Tulsa	166	44,371	267
Wichita	85	24,258	285



Trans World Airlines
St. Louis - Toronto Service
Estimated Operating Expenses
Year Ended March 31, 1996

	Unit	Unit Cost (1)	Units	Total Cost (000)
Flying Operations:				
Fuel	Block Hours	\$481	2,858	\$1,374
Crew	Block Hours	341	2,858	975
Aircraft Rentals	Block Hours	354	2,858	1,012
Other Flying Operations	Block Hours	45	2,858	127
Maintenance - Flight				
Deprec & Amort - Flight	Block Hours	192	2,858	548
	Block Hours	140	2,858	400
Maintenance - Ground				
Deprec & Amort - Ground	Departures	86	1,460	128
	Departures	51	1,460	75
Applied Maintenance Burden				
- Flight Equipment	Block Hours	160	2,858	458
Passenger Service:				
Flight Attendants	F/A Block Hrs (4)	64	10,003	640
In-Flight Service	RPMs (000)	0.0069	68,781	476
Aircraft Servicing:				
Line Service	Departures	282	1,460	412
Control	Departures	51	1,460	74
Landing Fees - STL (2)	Departures	160	730	117
Landing Fees - YYZ (3)	Departures	238	730	173
Traffic Servicing	Psgs Enplaned	16.34	142,184	2,323
Reservations & Sales	Psgs Enplaned	9.63	142,184	1,370
Commissions:				
Passenger	Psg Revenue (000)	9.4%	19,714	1,844
Cargo	Cargo Revenue (000)	0.8%	374	3
Advertising & Promotion	RPMs	0.0031	129,978	403
General & Administrative	ASMs	0.0043	126,039	536
Total Operating Expenses				\$13,474

- (1) Except where noted, based on TWA Domestic Entity costs for MD80 aircraft from DOT Form 41 for the 12 months ended September 30, 1994. See Exhibit TW-405.
- (2) Actual fees as of January 1, 1995
- (3) Actual fees as of March 8, 1995, converted to U.S. dollars at current rate
- (4) Average of 3.5 flight attendants per flight



Trans World Airlines
Domestic Entity Unit Costs
MD80 Aircraft
12 Months Ended September 30, 1994

	Aircraft Specific	Unit	Units	Total Cost	Unit Cost
Flying Operations:					
Fuel	Yes	Block Hours	155,943	\$74,989,829	\$481
Crew	Yes	Block Hours	155,943	53,203,181	341
Aircraft Rentals	Yes	Block Hours	155,943	55,213,258	354
Other Flying Operations	Yes	Block Hours	155,943	6,946,209	45
Maintenance - Flight	Yes	Block Hours	155,943	29,886,875	192
Deprec & Amort - Flight	Yes	Block Hours	155,943	21,851,004	140
Maintenance - Ground	No	Departures	263,609	22,788,550	86
Deprec & Amort - Ground	No	Departures	263,609	13,521,666	51
Applied Maintenance Burden - Flight Equipment	Yes	Block Hours	155,943	24,972,979	160
Passenger Service:					
Flight Attendants	No	F/A BI Hours	2,345,884	150,171,865	64
In-Flight Service	No	RPMs (000)	17,150,161	118,652,702	0.0069
Aircraft Servicing:					
Line Service	No	Departures	263,609	74,361,178	282
Control	No	Departures	263,609	13,325,992	51
Landing Fees	No	Departures	Airport-specific rates used		
Traffic Servicing	No	Psgs Enplaned (000)	18,809	307,292,881	16.34
Reservations & Sales	No	Psgs Enplaned (000)	18,809	181,206,801	9.63
Commissions:					
Passenger	No	Psg Revenue (000)	2,208,137	206,572,263	9.4%
Cargo	No	Cargo Revenue (000)	39,164	299,769	0.8%
Advertising & Promotion	No	RPMs (000)	17,150,161	53,128,922	0.0031
General & Administrative	No	ASMs (000)	27,227,181	115,734,616	0.0043



TWA
One Time Start - Up Costs

Toronto, Canada

Architectural	\$41,800
Heating & Air Conditioning	\$3,500
Electrical	\$8,000
Communications	\$5,000
Contractor Overhead	\$8,700
Contingency	\$8,700
General Conditions (Misc.)	\$8,000
Architectural & Engineering Fees	\$8,000
Advertising & Promotion	<u>\$200,000</u>
Total	\$291,700